## Exhibit B

## UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF TEXAS HOUSTON DIVISION

Federal Trade Commission, Plaintiff,

Civil Action No. 4:24-cv-02508

vs.

Judge Charles Eskridge

Tempur Sealy International, Inc., et al.,

Defendants.

## **DECLARATION OF ANNE DAMENT**

- 1. My name is Anne Dament. I am over the age of eighteen and my business address is 3250 Briarpark Dr. #400, Houston, Texas 77042. I am of sound mind and am competent to make this Declaration. I have personal knowledge of the facts contained herein, all of which are true and correct to the best of my knowledge and belief.
- 2. I am the Chief Merchandising Officer of Mattress Firm Group Inc. ("Mattress Firm"). I have held the position of Chief Merchandising Officer since 2021.
- 3. I submit this declaration in connection with the Defendants' Supplier Commitment (the "Slot Commitment") to provide and maintain for placement of Third-Party "Premium" Mattresses certain mattress floor slots at

Mattress Firm retail stores for a period of five (5) years from and after the acquisition of Mattress Firm by Tempur Sealy International, Inc. ("Tempur Sealy").

- 4. "Third-Party" is defined in these calculations and in the Slot Commitment to include any mattress brand sold by Mattress Firm that (1) is not owned by Tempur Sealy or an affiliate (i.e., Tempur Pedic, Stearns & Foster, Sealy) and (2) is not a Mattress Firm private label branded product (Sleepy's and Tulo). Third-Party mattresses include those sold at Mattress Firm by Serta Simmons Bedding, Purple, Resident Home, Spring Air, King Koil, and Kingsdown, or others.
- 5. "Premium" is defined in the Slot Commitment to include mattresses with a Sales Price over \$1,500. Using a \$1,500 cutoff is more inclusive of Third-Party "Premium" mattresses sold at Mattress Firm than \$2,000. Indeed, Third Parties sell more mattresses priced between \$1,500–\$2,000 at Mattress Firm than mattresses priced \$2,000+.
- 6. In support of the Slot Commitment, Defendants have made representations regarding the current allocation of floor slots at Mattress Firm's active retail stores and related calculations. By this Declaration, I explain each relevant data source and where appropriate provide additional

context concerning any calculations conducted to arrive at such representations.

- 7. First, Mattress Firm maintains in the ordinary course of business tabulations of mattress floor models by store ("MF Slot File"), which provides current information on the floor displays in Mattress Firm retail stores by mattress vendor and collection. A version of this MF Slot File current as of Q2 2024 was submitted to the Federal Trade Commission ("FTC") on May 29, 2024, during the FTC's investigation into the proposed transaction between Mattress Firm and Tempur Sealy. As previously explained to the FTC, the MF Slot File provides the number of floor slots allocated to each mattress collection across each Mattress Firm store.
- 8. Second, in order to identify floor slots by price point category
  Defendants further relied upon Mattress Firm's transaction data production
  as submitted to the FTC during its investigation<sup>5</sup> to determine the average

<sup>&</sup>lt;sup>1</sup> "STORE ASSORTMENT BY MODEL – Open Store Counts by Model 5.13.24.XLSX". Although the MF Slot File is static and provides only a snapshot in time of Mattress Firm's overall floor slot composition, the figures recorded do not differ materially from other recent versions of this same analysis (*e.g.*, the figures in the Q2 2024 MF Slot File are not materially different from the June 2023 version of this file).

<sup>&</sup>lt;sup>2</sup> The Q2 2024 MF Slot File includes floorplans for 2,314 open stores and an additional 4 stores with "pending" open status as of the date of the file.

<sup>&</sup>lt;sup>3</sup> May 29, 2024 Letter from Lindsey Bohl to Adam Pergament, "Re: FTC File No. 231-0016; Mattress Firm Group Inc. Data Production Letter."

<sup>&</sup>lt;sup>4</sup> *Id*.

<sup>&</sup>lt;sup>5</sup> See files bearing filenames "Exhibit\_A\_(2015)\_HIGHLY\_CONFIDENTIAL.txt" through "Exhibit A\_(2023)\_HIGHLY\_CONFIDENTIAL.txt" submitted to the FTC on November 8, 2023.

sales price of mattresses sold by Mattress Firm.<sup>6</sup> These average prices are combined with the MF Slot File information to determine the average number of slots by both mattress collection and price point. While Defendants used average sales price from Mattress Firm's transaction data for purposes of determining the average number of slots by mattress collection and price point, the Slot Commitment defines "Sales Price" as Mattress Firm's normal retail price advertised to consumers prior to any special discounts or promotions (e.g., holiday events). In practice, Sales Prices and average sales prices based upon Mattress Firm's historical transaction data for Third-Party Premium mattresses are not materially different.

9. Using the MF Slot File, Defendants determined that the total number of display slots across all 2,318 active Mattress Firm stores as of Q2 2024 is 119,129. While slot numbers will vary by individual store location, Mattress Firm has an average of approximately 51 total slots per store (119,129 divided by 2,318), inclusive of both (1) horizontal floor slots and (2) any vertical slots displayed in the "value zone".

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<sup>&</sup>lt;sup>6</sup> Specifically, within these transaction data, average prices are calculated as the ratio of *finalized\_sales* to *finalized\_units* for mattresses in Mattress Firm's collection during FY2023.

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- 10. The MF Slot File also demonstrates that, on average, a Mattress Firm store has 38 slots for the horizontal display of mattresses and 13 slots for the vertical display of mattresses.<sup>7</sup>
- Defendants further determined that, of the 38 horizontal slots per Mattress Firm store on average, approximately 26.6 are horizontal floor slots featuring a mattress with Sales Price of at least \$1,500. Of that 26.6 slot average, approximately 11.4 slots are currently filled with a Third-Party's mattress, and the remaining approximately 15 are occupied primarily by Tempur Sealy mattresses. Thus, of the 26.6 horizontal slots at an average Mattress Firm store that currently feature a mattress priced \$1,500 or more, approximately 43 percent are held by a Third Party (11.4 divided by 26.6).
- 12. Using a \$1,500 cutoff for the Slot Commitment preserves floor slots for a greater number of Third-Party "Premium" mattresses sold at Mattress Firm than a \$2,000 cutoff, as there are currently only approximately 9 Third-Party slots with mattresses priced \$2,000+ on average.
- 13. I declare under penalty of perjury of the laws of the United States of America that the foregoing is true and correct.

<sup>7</sup> Using the MF Slot File, the 38 horizontal slots can be calculated by summing the slot counts in cells AM11 through DX11 (totaling 88,784 slots) and dividing by 2,318 open and pending stores. The 13 vertical slots are similarly calculated by summing the Express Zone and Value Zone slots in cells EC11 through FE11 (totaling 30,345 slots) and

dividing by 2,318 open and pending stores.

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Executed in Houston, Texas on the 27 day of December 2024.

Anne Dament